

**GOA WORKING GROUP**  
**DRAFT LIST OF ALTERNATIVES, ELEMENTS AND OPTIONS**  
**As of December 3, 2002**

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**ALTERNATIVE 1. STATUS QUO (NO ACTION ALTERNATIVE).**

**ALTERNATIVE 2. MODIFICATION OF THE LICENSE LIMITATION PERMIT (LLP).**

**Element 1. Management Areas**

Applies to the Western Gulf (WG) and Central Gulf (CG) LLP only.  
The Southeast Outside (SEO) LLP would not be modified.

**Element 2. Gear**

Applies to trawl and non-trawl vessels greater than 26' LOA. (GM).

**Element 3. Vessel Classes**

Applies to catcher vessel (CV) and catcher/processor (C/P) classes

**Element 4. Vessel Size**

Applies to all vessel sizes subject to the LLP program.

**Element 5. Applicable Areas**

WG and CG Trawl and Non-Trawl Licenses (CG Includes West Yakutat)

**Element 6. Minimum Landings Requirements**

a. WG and CG Trawl & WG Fixed Gear

Option 1. Minimum landings for all qualifying years combined

Suboption a Vessels <125 ft must land a minimum of 10 mt by species

Suboption b Vessels ≥125 ft must land a minimum of 50 mt by species

Option 2. Minimum landings in any qualifying year

Suboption a Vessels <125 ft must land a minimum of 10 mt by species

Suboption b Vessels ≥125 ft must land a minimum of 50 mt by species

b. CG Fixed Gear

Option 1. Minimum landings for all qualifying years combined

Suboption a Vessels must land a minimum of 5 mt by species

Suboption b Vessels must land a minimum of 10 mt by species

Option 2. Minimum landings in any qualifying year

Suboption a Vessels must land a minimum of 5 mt by species

Suboption b Vessels must land a minimum of 10 mt by species

**Element 7. Type of Species Endorsements**

Applicable to Target species only (target catches only for species for which there are endorsements)

**Element 8. Target species endorsements**

a. Trawl gear

Pollock

Pacific cod

Flatfish

i. flatfish (inc. arrowtooth flounder)

ii. flatfish (excl. arrowtooth flounder)

Rockfish (excl. thornyhead, shortraker, rougheye, and other slope rockfish)

- b. Non-Trawl gear
  - Pacific cod
  - Rockfish (excl. thornyhead, shortraker, rougheye, and other slope rockfish)

**Element 9. Gear**

- Option 1. create a gear and sector (CV/CP and inshore/offshore) endorsement for licenses.
- Option 2. allocate TAC between sectors based on historical shares during qualifying years.
- Option 3. Establish rollover provisions for unused TAC between sectors

**Element 10. Qualifying periods for LLP reduction**

- Option 1. 98-2001
  - i. exclude 2000 for Pacific cod for pot gear
- Option 2. 95-98
- Option 3. 95-2001**
  - i. exclude 2000 for Pacific cod for pot gear**
- Suboption 95-2002**
  - i. exclude 2000 for Pacific cod for pot gear**

**ALTERNATIVE 3. QUOTA SHARE BASED PROGRAM**

**SUBALTERNATIVE 1. HARVESTER ONLY QS PROGRAM –**

**Element 1. Management Areas**

Areas are Western Gulf, Central Gulf, and West Yakutat—separate areas  
 EGOA Pacific cod is exempted  
 SEO is exempt except for bycatch and sideboard issues

**Element 2. Gear**

Applies to all gear except jig gear

**Element 3. Qualifying periods (same for all gears in all areas)**

- Option 1. 95-01 (drop 1 or 2)
  - Suboption. Exclude 2000 for pot gear Pacific cod
- Option 2. 95-2000 (drop 1 or 2)
  - Suboption. Exclude 2000 for pot gear Pacific cod
- Option 3. 98-01 (drop 1)
  - Suboption. Exclude 2000 for pot gear Pacific cod
- Option 4. 95-2002 (drop 1 or 2)
  - Suboption. Exclude 2000 for pot gear Pacific cod

**Element 4. Qualifying landing criteria**

Issue 1. Landings based on retained catch for all species

- Option 1. catch history determined based on a percentage of total retained catch per year
  - i. Includes meal
  - ii. Does not include meal
- Option 2. catch history determined based on the poundage of retained catch
  - i. Includes meal
  - ii. Does not include meal



Issue 2. Eligibility to receive catch history

- Option 1. Vessel owner with federal permit  
QS allocation only to the vessel with legal landings in a federally managed fishery, with only those landings made by a vessel owner possessing either a permanent moratorium or fully transferable LLP onboard considered as legal.
- i. vessel owner at time of landing
  - ii. current vessel owner
  - iii. Lease holder at time of landing- A person who owns a vessel cannot be a QS recipient for that vessel during the duration of the lease. Evidence of the lease must be provided as described in CFR 679.40(a)(3)(C)(iii)- Evidence of a vessel lease in the IFQ program.
- Option 2. QS allocation to a person with legal landings in a federally managed groundfish fishery
- i. vessel owner at time of landing
  - ii. current vessel owner
  - iii. Lease holder at time of landing - A person who owns a vessel cannot be a QS recipient for that vessel during the duration of the lease. Evidence of the lease must be provided as described in CFR 679.40(a)(3)(C)(iii)- Evidence of a vessel lease in the IFQ program.

**Element 5. Target Species Rationalization Plan.**

Issue 1. Target Species by Gear

- a. Trawl CV and CP
  - Pollock
  - Pacific cod
  - Deepwater flatfish
  - Rex sole
  - Shallow water flatfish
  - Flathead sole
  - Arrowtooth flounder
  - Northern rockfish
  - Pacific ocean perch
  - Pelagic shelf rockfish
- b. Longline CV and CP
  - Pacific Cod
  - Pelagic shelf Rockfish
  - Pacific ocean perch
  - Deep water flatfish (if turbot is targeted)
  - Northern rockfish
  - Arrowtooth
- c. Pot CV and CP
  - Pacific Cod

## Issue 2. QS/IFQ Designations

### Option 1. Vessel categories

- Suboption 1. No Categories
- Suboption 2. Vessel Categories as follows
  - Vessels < 60'
  - Vessels ≥ 60' and < 125'
  - Vessels ≥ 125'

### Option 2. QS Sector designations:

- Suboption 1. No designation of QS/IFQ as CV or CP
- Suboption 2. Designate QS/IFQ as CV or CP. CV QS/IFQ conveys a privilege to harvest a specified amount. CP QS/IFQ conveys the privilege to harvest and process a specified amount. Designation will be based on:
  - i. Actual amount of catch harvested and processed onboard a vessel by species.
  - ii. All catch in a given year if any was processed onboard the vessel by species

### Option 3. QS Gear designations

- Suboption 1. No gear designation
- Suboption 2. Designate QS as either Longline, Pot, or trawl
- Suboption 3. Longline and pot gear QS/IFQ may not be harvested using trawl gear.
- Suboption 4. Pot gear QS/IFQ may not be harvested using longline gear

## Issue 3. Transferability and Restrictions on Ownership of QS/IFQs

### Option 1. Transfer restrictions between CP and CV QS

- Suboption 1. CV QS/IFQ may be harvested, but not processed onboard a CP vessel
  - i. 3 year sunset
- Suboption 2. CV may not be harvested or processed by a CP
  - i. 3 year sunset
- Suboption 3. CP QS/IFQ may harvest and process CV QS/IFQs
  - i. 3 year sunset
- Suboption 4. Establish first right of refusal system for CP shares
  - i. 3 year sunset
  - ii. to persons eligible to hold CV shares
  - iii. to CP shareholders
- Suboption 5. Persons that own CP shares are not eligible to buy CV shares
  - i. 3 year sunset

### Option 2. Persons eligible to receive QS by transfer must be:

- Suboption 1. US citizens who have had at least 150 days of sea time
- Suboption 2. Entities that have a U. S. citizen with 20% or more ownership and at least 150 days of sea time
- Suboption 3. Initial recipients of harvesting quota share
  - Suboption 4. Eligible communities. Rural communities with a population of more than one and less than 1,500 people as defined by the 2000 United States Census;  
Communities without road access to communities larger than 1,500 people;  
Communities with direct access to saltwater; and  
Communities with a documented historic participation in the GOA groundfish fisheries, defined as a record of a person landing GOA groundfish from 1980 to 2000 based on recorded fish ticket data by ADF&G

The Council motion for amendment 66 did not include a specific definition of a community.

Option 3. CDQ holdings

Suboption 1. QS initial recipients with more than 20% ownership by CDQ groups are:

- i. capped at initial allocation
  - a. CV shares
  - b. CP shares
- ii. capped at 115% of initial allocation
  - a. CV share
  - b. CP shares
- iii. No CP share cap

Suboption 2. No restrictions on CDQ ownership

- i. CV shares
- iii. CP shares

Option 4. Vertical integration

QS initial recipients with more than 10% ownership by processing entities are:

- i. capped at initial allocation of CV shares
- ii. capped at 115% of initial allocation of CV shares
- iii. no CP share cap

Option 5. Definition of sea time

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

Option 6. Leasing of IFQs (“leasing of IFQs” is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as “hired skipper” requirement in halibut/sablefish program).

Suboption 1. No leasing of CV IFQ (QS/IFQ holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

Suboption 2. No leasing of CP IFQ (QS/IFQ holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

Suboption 3. Allow leasing of CV IFQ, but only to individuals eligible to receive QS/IFQ by transfer.

Suboption 4. Allow leasing of CP IFQ, but only to individuals eligible to receive QS/IFQ by transfer.

Suboption 5. Sunset [CP – CV] IFQ leasing provisions [3 – 5 – 10 - ?] years after program implementation.

Option 7. Separate and distinct QS Use (“ownership”) Caps apply to all harvesting QS categories by species with the following provisions:

Suboption 1. Initial issues that exceed the use cap are grandfathered at their current level as of a control date; including transfers by contract entered into as of that date.

Suboption 2. Apply individually and collectively to all QS holders in each sector and fishery using the 10% rule;

Suboption 3. Percentage-caps by species are as follows (a different percentage cap may be chosen for each fishery):

- i. Trawl CV and CP:
  - a. no use (i.e., “ownership”) caps
  - b. Use cap based at the following percentile of catch history for the following species: (i.e., 75<sup>th</sup> percentile represents the amount of QS that is greater than the amount of QS for which 75% of the fleet will qualify.)
    - pollock
    - Pacific cod
    - Deepwater flatfish
    - Rex sole
    - Shallow water flatfish
    - Flathead sole
    - Arrowtooth flounder
    - Northern rockfish
    - Pacific ocean perch
    - Pelagic shelf rockfish
- 1. 75 %
- 2. 85%
- 3. 95 %
- ii. Longline and Pot CV and CP
  - 1. no use caps
  - based on the following percentiles of catch history for the following species
  - Pacific Cod
  - Pelagic shelf Rockfish
  - Pacific ocean perch
  - Deep water flatfish (if turbot is targeted)
  - Northern rockfish
- 1. 75 %
- 2. 85%
- 3. 95 %

Option 8. Vessel Use caps on IFQs harvested on any given vessel

Suboption. Vessel Use caps shall be set at two times the use cap for each species.

Option 9. **Owner On Board Provisions**— Provisions may vary depending on the sector or fishery under consideration (the committee expects this provision to be applied differently pending data analysis)

Suboption 1. No owner on board requirements.

Suboption 2. A portion (range of 5-X%) of the quota shares initially issued to fishers / harvesters would be designated as "owner on board."

- i. All initial issuees (individual and corporate) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares for a period of 5 years after implementation
- ii. Shares transferred to initial issuees in the first 5 of the program would be considered the same as shares initially issued (range of 5 –X% of the quota shares).
- iii. “owner on board” shares transferred by initial issuees, after the grace period, would require the recipient to be aboard the vessel to harvest the IFQ/ITQ

- iv. In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer / lease his or her shares a maximum period of (Range 1-3 years)
- Suboption 3. All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued QS.

Option 10. Overage Provisions

a. Trawl CV and CP:

- Option 1. Overages up to 15% [20%] of the last trip will be allowed— greater than a 15% [20%] overage result in forfeiture and civil penalties. An overage of 15% [20%] or less, results in the reduction of the subsequent year's IFQ. Underages up to 10% of total annual IFQs will be allowed with an increase in the subsequent year's IFQ.
- Option 2. Overages of target species up to 15,000 [20,000] pounds (convert to mt)during the last trip will be allowed. Overages result in the reduction of the subsequent year's IFQ. Underages up to 10% of total annual IFQs will be allowed with an increase in the subsequent year's IFQ. Underages up to 15,000 [20,000] pounds (convert to mt)of the last trip will be allowed with an increase in the subsequent year's IFQ.

Suboption. Overage provisions would not be applicable in fisheries where there is an open access fishery that has not been fully utilized for the year. (i.e., no overages would be counted if an IFQ holder goes over his/her IFQ IFQ when open access fisheries are still available).

b. Longline and pot CV and CP:

Overages up to 10% of the last trip will be allowed with rollover provisions for underages— greater than a 10% overage results in forfeiture and civil penalties. An overage of less than 10% results in the reduction of the subsequent year's IFQ. This provision is similar to that currently in place for the Halibut and Sablefish IFQ Program (CFR 679.40(d)).

Suboption. Overages would not be allowed in fisheries where there is an open access fishery that has not been fully utilized for the year. (i.e., no overages would be allowed if an IFQ holder goes over his/her IFQ IFQ when open access fisheries are still available).

Option 11. Retention requirements

- a. IR/IU applies to cod, pollock, and flatfish
- b. For rockfish, sablefish and Atka mackerel:
  - Suboption 1. no retention requirements
  - Suboption 2. require retention (all species) until the IFQ for that species is taken with discards allowed for overages
  - Suboption 3. require 100% retention (all species) until the IFQ for that species is taken and then stop fishing.

Option 12. Limited processing

- Suboption 1. No exemptions
- Suboption 2. Limited processing of rockfish species by owners of CV QS is allowed consistent with limits set in the LLP program which allows up to 1 mt of

round weight equivalent of groundfish to be processed per day on a vessel less than or equal to 60ft LOA.

Suboption 3. CV IFQ may be processed, but not harvested onboard a CP vessel (i.e., CPs may buy CV fish)

Suboption. 3 year sunset

Suboption 4. CPs are not permitted to buy fully utilized species (cod, pollock, rockfish, sablefish, and QS portion of flatfish) from CVs.

Suboption. Exempt bycatch amounts of these species delivered with flatfish

**Element 4. Bycatch Species as listed:**

Option 1. Include Thornyheads, Rougheye/Shortraker (RE/SR), Other slope rockfish, **Atka Mackerel**, and Trawl Sablefish in the rationalization program; Allocate QS to all fishermen (including sablefish & Halibut QS fishermen) based on :

Suboption. Fleet bycatch rates by gear:

- i. based on average catch history by area and target fishery
- ii. based on 75<sup>th</sup> percentile by area by target fishery

Option 2. Allocation will be adjusted pro rata to allocate 100% of the annual TAC for each bycatch species.

Suboption. **Other rockfish in the Western Gulf will not be allocated, but will be managed by MRB and will go to PSC status when the TAC is reached.**

Option 3. Remove Thornyheads, Rougheye/Shortraker (RE/SR), Other slope rockfish, **Atka Mackerel**, and Trawl Sablefish from the rationalization program. Retain these species on bycatch status for all gear types with current MRBs..

Option 4. Include Thornyheads, Rougheye/Shortraker (RE/SR), Other slope rockfish, **Atka Mackerel**, and Trawl Sablefish in rationalization program for one gear type only (e.g., trawl). Deduct the bycatch from gear types from TAC. If deduction is not adequate to cover bycatch in other gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 5. Allow trawl sablefish catch history to be issued as a new category of sablefish QS ("T" shares.) "T" shares would be fully leasable, exempt from vessel size and block restrictions, and retain sector designation upon sale.

Suboption 1. These shares may be used with either hook & Line or trawl gear.

Suboption 2. A percentage (50-100%) of these shares must be fished with hook & line gear

**Element 5. PSC Species**

Issue 1. Accounting of Halibut Bycatch

Option 1. Pot vessels—Status quo. Exempt from halibut bycatch caps

Option 2. Hook and line vessels—

Suboption 1. status quo management, currently a 300 mt cap

Suboption 2. same as that under IFQ sablefish and halibut programs

Suboption 3. cooperative would be responsible for ensuring the collective halibut bycatch cap was not exceeded

Suboption 4. Individual QS or catch history owners would be responsible to ensure that their halibut bycatch allotment was not exceeded.

Option 3. Trawl vessels

- Suboption 1. status quo management, currently a 2000 mt cap
- Suboption 2. cooperative would be responsible for ensuring the collective halibut bycatch cap was not exceeded
- Suboption 3. Individual QS or catch history owners would be responsible to ensure that their halibut bycatch allotment was not exceeded.

Issue 2. Halibut PSC Allocation

- Option 1. Each recipient of fishing history would receive an allocation of halibut mortality based on their allocation of the directed fishery QS.
- Option 2. Initial allocation based on average halibut bycatch by directed target species during the qualifying years. Bycatch only species would receive no halibut allocation. Allocations will be adjusted pro rata to equal the existing PSC cap.
  - Suboption 1. By sector average bycatch rates by area by gear
    - a) All sectors
    - b) Catcher processor/Catcher Vessel
  - Suboption 2. "A/B" split Pacific cod fishery
    - a) By season for 2001 and 2002 split fishing season
- Option 3. Initial allocation based on a range of 50 to 90% of the average halibut bycatch by directed target species during the qualifying years. Allocations will be adjusted pro rata to existing caps. The remaining QS would be allocated under the following option.
  - Suboption 1. Issue remaining QS (50% - 10%) to open access pool for underutilized species .
  - Suboption 2. Issue remaining QS (50% - 10%) to groundfish QS holders on a pro-rata share of QS holdings
  - Suboption 3. Issue remaining QS (50% - 10%) back to directed halibut

Issue 3. Annual transfer/Leasing of Trawl or Fixed Gear Halibut PSC mortality

- Option 1. Halibut PSC allocation is separable from the QS and may be transferred independently
- Option 2. Halibut PSC allocation is separable from the underlying QS and may be transferred independently, but when transferred separately the amount of Halibut PSC allocation would be reduced, for that year, by:
  - Suboption 1. 5%
  - Suboption 2. 7%
  - Suboption 3. 10%
  - Suboption 4. Exclude any halibut PSC transferred for participation in the open access fisheries

Issue 4. Permanent transfer of Halibut PSC QS mortality

- Option 1. Groundfish QS and Halibut PSC QS are non-separable and must be sold as a unit.
  - Suboption. exempt Pacific cod
- Option 2. Groundfish QS and Halibut PSC QS are separable and maybe sold separately

Issue 5. Retention of halibut bycatch in the longline fishery

Option 1. Halibut bycatch may not be retained outside the halibut season.

Option 2. Halibut bycatch may be retained by longline vessels outside the halibut season from Jan 30 to March 15, and from November 16 through December 15

Suboption 1. retention is limited to (range 10-20%) of target species

Suboption 2. permit holder must have sufficient QS/IFQ to cover landing

Suboption 3. Dates may change pending proposed IPHC action.

Issue 6. PSC Crab, Salmon, and Other Species (Excluding Halibut)

The committee recommends that the Council prepare a discussion paper to describe processes currently underway to address bycatch of salmon, crab and herring and other forage fish species (including FMP amendments and PSEIS options for crab bycatch). The paper should (1) provide timelines and how they relate to the GOA rationalization timeline; (2) describe fishery, survey, and habitat data sources that will be used. Based on the recommendations in the paper, the Council would determine if (1) existing processes are sufficient or if some measures need to be more closely linked to rationalization decisions, and (2) if other or additional management approaches are appropriate to include in a rationalized fishery in a trailing amendment.

**Element 6. Underutilized species** –Owners of QS/IFQ must utilize their IFQs before participating in open access fishery in fisheries for which there is an open access fishery

Issue 1. Eligibility

Option 1. Any vessels with a valid LLP

Option 2. Entities that have 20% or more ownership and at least 150 days of sea time with 10 mt of fixed gear QS or 50 mt of trawl QS

Issue 2. Species

**Under utilized species include species that do not reach the TAC but close due to halibut bycatch restraints and/or TAC is set below ABC**

Arrowtooth flounder

Deepwater Flatfish

Flathead Sole

Rex Sole

Shallow water Flatfish

Issue 3. Closed class under utilized fishery quota.

Allocate catch share to the historical participants of the under utilized species for the qualifying years.

Option 1. Allocate QS as a fixed allocation in Metric Tons. If available TAC is less than the total fixed allocation in Metric Tons then reduce participants' allocation pro-rata amongst closed class QS holders.

Option 2. Catch history is based on 125% of catch history as a function of the total TAC.

Issue 4. Open Access fishery quota – creates an incentive for fishermen to fish cleaner (either by gear conversion or reduction in halibut bycatch rates in other directed fisheries). If no halibut is allocated to the fishery through an open access set aside the only entry mechanism is halibut savings.

Available open access fishery quota is the available TAC for that fishing year minus the closed class fishery quota allocation as outlined in Issue 4.



**Element 7. Entry level rockfish program**

Option. Allow entry level Jig and < 60 longline harvests of Pelagic rockfish.

Suboption 1) a range of 5 to 15% of the TAC will be set aside to accommodate this fishery

- a) Model after the State Pacific cod fishery where the open access set aside increases when the quota is reached.
  - a) Initial allocation of 3%
  - b) Step increases of 5%, 7%, 9%, 12% & 15%
- b) Catch of these vessels would be deducted from the following years ABC prior to distributing QS.

**Element 8. Non-FMP and non-target species**

(May be modified per staff initiative on management of non-target species)

- Option 1. Prohibit directed fishing on those species that are not already managed by the State of Alaska.
- Option 2. Require a fishery management plan amendment to open a fishery
- Option 3. Experimental fishing permits only to qualified participants

**Element 9. Skipper/Crew and Second Generation****Issue 1. Eligibility to Receive QS**

- Option 1. No skipper and crew provisions
- Option 2. Percentage to Captain:
  - a) Initial allocation of 3% shall be awarded to qualified captains.
  - b) Initial allocation of 10% shall be awarded to qualified captains.
  - c) Initial allocation of 20% shall be awarded to qualified captains.
- Option 3. A trailing amendment will follow to develop further elements
- Option 4. Species specific allocation – same as with vessels.
- Option 5. Eligibility:

A qualified captain is determined:

  - (a) on an area specific fishery by fishery basis by having at least 1 to 4 landings in the qualifying years used by the vessels, and having recent participation in the area specific target fishery as defined by at least one landing per year in the fishery in the last two seasons prior to June 10, 2002.
  - (b) determined on an area basis only.
  - (c) For captains who died from fishing related incidents, recency requirements shall be waived and the allocation shall be made to the estate of that captain. All ownership, use, and transfer requirements would apply to shares awarded to the estate.
  - (d) A captain is defined as the individual owning the Commercial Fishery Entry Permit.
- Option 6. Qualification period, same as with vessels.
- Option 7. Distribution per captain:
  - a) QS based on landings (personal catch history based on ADF&G fish tickets or other verifiable source) using harvest share calculation rule. Captain with C/P history shall receive C/P captain QS at initial issuance.

Option 8. Transferability criteria:

Sale of Skipper/Crew and Second Generation QS.

- a. QS may be purchase only by persons who are US citizens who have had at least 150 days of sea time in any of the US commercial fisheries in a harvesting capacity.
- b. Active participants An “active participant” is defined by participation as captain or crew in at least one delivery in a groundfish fishery included in the rationalization program in the last 365 days as *evidenced by ADF&G fish ticket, affidavit from the vessel owner or other verifiable source.*

Option 9. IFQ leasing

- a. Captains QS are leasable for the first three years after program implementation:
- b. In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of captain quota shares may lease QS, upon documentation and approval, (similar to CFEC medical transfers) for the term of the hardship/disability or a maximum of 2 years.

Option 10. Loan program

A low-interest rate loan program consistent with MSA provisions, for skipper and crew purchases of QS, shall be established for QS purchases by captains and crew members using 25% of the Groundfish IFQ fee program funds collected.

These funds can be used to purchase shares.

Loan funds shall be accessible by active participants only.

Any shares purchased under the loan program shall be subject to any use and leasing restrictions applicable to (during the period of the loan).

National Marine Fisheries Service (NOAA Fisheries) is directed to explore options for obtaining seed money for the program in the amount of \$250,000 to be available at commencement of the program to leverage additional loan funds.

Option 11. Captain/Crew on Board requirements

- a) Holders of captain QS or qualified lease recipients are required to be onboard vessel when harvesting IFQ.
- b) Captain QS ownership caps for each species are the same as vessel caps for each species.
- c) Use caps on IFQs harvested on any given vessel shall not include captain QS in the calculation

Option 12. Regionalization of Skipper and Crew QS

- (a) Shares shall be a separate class of shares and not be subject to share delivery requirements.

## **Element 10. Communities**

### **Issue 1. Regionalization**

#### **Option 1. Regional Areas**

Central Gulf: Two regions are proposed, which would be used to classify harvesting and (if adopted) processing shares: North - South line at 58 degrees 51.10' (Cape Douglas corner for the Cook Inlet Bottom trawl ban area)  
The following fisheries will be regionalized for shorebased catch:  
Pollock in Area 630:  
CGOA Flatfish (excludes Arrowtooth flounder)  
CGOA POP  
CGOA Northern Rockfish & Pelagic Shelf Rockfish (combined)  
CGOA Pacific cod - inshore  
CGOA sablefish (trawl)  
WY pollock

#### **Western Gulf:**

Option 1. Dutch Harbor (incl Akutan)/Sand Point

Option 2. Kodiak/Sand Point

Option 3. Both

The following fisheries will be regionalized for shorebased catch:

Pacific cod in Area 610

Pollock in Area 610

Pollock in Area 620

If adopted, all processing share allocated to shorebased processors are categorized by region. Processing shares that are regionally designated cannot be reassigned to another region.

Catcher Vessel Harvest shares are regionalized based on where the catch was processed not where it was caught.

**Catcher processor shares and underutilized species are not subject to regionalization**

#### **Option 2. Qualifying years**

##### **Suboption 1. Qualifying years for regionally categorizing shares**

a) 1999 - 2001

b) consistent with preferred alternative under Element 2. Qualifying period

c) 1995- 2002

### **Issue 2. Community Incentive Fisheries Trust (CIFT)**

#### **Program Objectives:**

The CIFT is created to empower communities, industry and public to adaptively evolve with the rationalization of the GOA groundfish fisheries during initial implementation and beyond. Privatizing access to fishery resources has had unintended consequences as address in "Sharing the Fish". The amount of social engineering that is required is difficult to forecast and implement. The CIFT is a non-profit entity that holds QS in trust to issue IFQ annually to QS holders that meet the requirements established by the governing body. The CIFT and the individual quota share holders will enter into contractual agreements. The CIFT can only recover costs of operation and not profit from the IFQ it grants to GOA QS holders. The fishermen that fulfill the terms of the contract shall be issued by RAM CIFT IFQ proportional to their QS holdings in addition to their IFQ. This implies that if all

criteria are met the fishermen would have issued to them IFQ equal to or greater than if the CIFT did not exist. QS holders that do not fulfill criteria in the contracts will receive less IFQ in the next year and that amount will be proportionately distributed to QS holders that have complied with the contract. It is envisioned that the CIFT system will provide communities, industry and stakeholders the ability to influence the practices of fishermen to protect their interests and investments. The system is inherently an economic incentive structure.

Option 1. QS Distribution

Suboption. 10-40 % of the Harvester QS shall be originally issued to GOA CIFT associations. This QS will be a pool off the top before individual distribution of QS.

Option 2. CIFT Designation

Suboption 1. One CV CIFT for entire GOA (excl SEO)

Suboption 2. Region CV CIFTs

a) Central GOA -( Kodiak, Chignik )

b) Western GOA

c) North Gulf Coast (Homer to Yakutat)

Suboption 3. CP-based CIFT

Option 3. Allocation of QS to CIFT

Suboption 1. Equal split between CIFTs

Suboption 2. Proportional split based on Landings

Suboption 3. Proportional split based on TAC in Region

Option 4. Governing body

The CIFT is a non-profit corporation governed by a Board of Directors comprised of representatives of classes of stakeholders identified as groups A,B,C,D,E, below. The Board of Directors will have the responsibility of the corporation and file a report with the State of Alaska for oversight and final approval by the Council.

Elected by a vote of the stakeholders in each group ( A,B,C,D,E )

Terms of office for stakeholder representatives of group( A,B,C,D,E )

Suboption 1.

a. 1 year

b. 2 years

c. 3 years

d. Set in By-Laws or Articles of Incorporation

Groups of stakeholders

A) Processor:

Suboption 1. Closed Class

- i. To participate the processor must have processed a minimum amount of groundfish as described below in at least 4 of the years
  - a. 1995 – 1999.
  - b. 1995 –2003
  - c. With one qualifying year during the period of 2000 to 2003
- ii. Trawl eligible Processors
  - a. 2000 mt
  - b. 500 mt
- iii. Fixed eligible Processors
  - a. 500 mt
  - b. 200 mt
  - c. 50 mt

Suboption 2. All processors in CIFT area

B) Community Large:

Population:

- a. > or = to 1,500 residents
- b. > or = to 2,500 residents
- c. > or = to 5,000 residents

C) Community Small:

Population:

- a. < 1,500 residents
- b. < 2,500 residents
- c. < 5,000 residents

D) Crew: Must hold current crewman's license

Suboption 1. Documentation of participation in any GOA groundfish fishery. Crewman's License for each year and one of the following: fish ticket, 1099, affidavit from captain or owner of vessel.

- a. 1 of 5 recent seasons
- b. 2 of 5 recent seasons
- c. 3 of 5 recent seasons
- d. 4 of 5 recent seasons

E) Other Stakeholders:

Suboption 1. Elected by majority of other group representatives A-D

- a. Nominated by any nonprofit organization
- b. Nominated by any organization
- c. Any individual

Suboption 2. Elected by majority of member organizations of stakeholders group (E).

- a. Groups are selected by representatives A-D
- b. Group types are designated i.e. School Board, Conservation, Processing workers, GOA QS owners
- c. To be determined by CIFT Articles of Incorporation
- d. To be determined by CIFT By-Laws

Note: Groups B and C may be combined to one ( BC) if only one class of communities exist in CIFT region

F) CP stakeholders are elected by a majority of CP QS owners

#### Option 5. Fee Assessment

Suboption 1. CIFT may charge only a reasonable fee to cover cost of administering the proposal process. They may not lease, sell or charge royalties for their right to IFQ or Co-op catch history.

- a. Fixed fee to enter into contract
- b. Fixed fee to enter into a contract and fee collected with RAM fee based on Ex-vessel gross and passed through to CIFT.
- c. Fixed fee to enter into contract and fee collected by CIFT based on x % of the RAM fee charged to QS holders. X% will be determined to cover costs.
- d. To be determined by CIFT By-Laws

Suboption 2. Each CIFT must be a non-profit and have no ownership interest in any vessels or processing plants participating in the program.

Option 6. Distribution of CIFT shares to QS share holder -- the intent is that the criteria developed by each sector shall focus on mitigating eimpacts directly associated with changes due to the QS program and other regional needs

Suboption 1. Governing Body Sectors ( A, B, C, D as designated in Option 4 above) will be allocated X % of the CIFT to prioritize the criteria for issuing the CIFT IFQs.

		(A)	or	(B)	
Processors	(A)	16.6%		20.0%	of CIFT IFQ
Community Large	(B)	25.0%		20.0%	
Community Small	(C)	25.0%		20.0%	
Crews	(D)	16.6%		20.0%	
General	(E)	16.8%		20.0%	
Total		100%		100.0%	of CIFT IFQ

#### Suboption 2. CP CIFT

CP rep	25%
CIFT rep	25%
Crew	25%
General	25%

Suboption 3. General (E) percentage of CIFT IFQ criteria will be developed by:

- a. Governing body (A-E as above)
- b. By group as determined in Option 4 E

Suboption 4. CIFT IFQ criteria will be developed by governing body as outlined in By-Laws.

#### Option 7. Allocation Procedure

Suboption 1. Year 1 CIFT would determine criteria for distribution for year 2.  
Any QS holder that signs a contract to meet objectives of the CIFT will be granted

CIFT IFQ for year 1. RAM will receive from CIFT authorization to include with its distribution of IFQ to qualified QS holders CIFT IFQ for year 1.

Year (n) the entities that meet the criteria set in the previous year's contract (n-1) will be eligible to receive CIFT IFQ for year n. RAM will receive from CIFT authorization to include with its distribution of IFQ to qualified QS holders CIFT IFQ for the next year. etc.

For those that have not completed their fishing season and documented their fulfillment of the contract terms by 15 November a subsequent distribution will be made by 1 March of the year the IFQ is valid. All documentation will be due no later than 15 January following the contract year.

Suboption 2. Contracts for IFQ are 2 years duration for performance and IFQ eligibility

Suboption 3. A 1 year delay between completion of contract and the Year the CIFT IFQ would be transferred i.e. contract year n CIFT IFQ distribution for year n+2.

Suboption 4 CIFT will use standard transfer process for IFQ.

Option 8. QS acquisition:  
CIFTs can purchase QS to increase the pool of IFQ it has to distribute to eligible QS holders.

Suboption 1. Debt Retirement for purchased QS

- a. Fees amortized over all IFQ distributed
- b. Fees amortized over IFQ corresponding to acquired QS ( this may require a different criteria for distribution of these IFQ )

Suboption 2. The IFQ resulting from QS would have to meet CIFT requirements.

Suboption 3. The IFQ resulting from QS would not have to meet CIFT requirements.

Option 9. Dispute Resolution

- a. Binding Arbitration procedure as part of contract
- b. Internal review with binding arbitration as appeal
- c. As per By-Laws
- d. Litigation

Option 10. Oversight

The Board of Directors will have the responsibility of the corporation and file a report with the State of Alaska for oversight and final approval by the Council.

Oversight reports will be filed:

- a. Every year
- b. Every 2 years
- c. Every 3 Years
- d. Years 1,2,3 and every 2 years subsequently

- Option 11. Transfers of QS and IFQ
  - Suboption 1. QS initially issued to CIFT are non-transferable
  - Suboption 2. Shares purchased by CIFT
    - a. Are non-transferable
    - b. Are non-transferable after debt related mortgage is retired
    - c. Is fully transferable
    - d. As per By-Laws
  - Suboption 3. Rights to receive CIFT IFQ will follow QS
    - a. All contract rights will be coupled to QS for future CIFT IFQ eligibility
    - b. Rights to receive CIFT IFQ are severable from QS and are transferable

### Issue 3. Community Fisheries Quota (CFQ)

- Option 1. Administrative Entity
  - Suboption 1. Gulf wide administrative entity
  - Suboption 2. Regional administrative entities (Western Gulf, Central Gulf, Eastern Gulf)
- Option 2. Eligible Communities
  - Suboption 1. Population:
    - a. Less than 1,500 residents
    - b. Less than 2,500 residents
    - c. Less than 5,000
  - Suboption 2. Geography
    - a. Coastal Communities without road connections to larger community highway network.
    - b. Coastal communities adjacent to salt water
    - c. Communities within 10 miles of the Gulf Coast
  - Suboption 3. Economy
    - a. Fisheries dependant communities
    - b. Fisheries supplemented communities
    - c. All communities
- Option 3. Species
  - Suboption 1. All rationalized groundfish species
  - Suboption 2. Species historically fished by coastal communities
  - Suboption 3. Limited to species that can be caught without bottom trawling
- Option 4. Allocation
  - Suboption 1. Allocation in a range of 10 - 20% of annual TAC
  - Suboption 2. Allocation of an approximate annual value of product. Range of \$5,000,000 - 15,000,000.
- Option 5. Harvesting of Shares
  - Suboption 1. Limited to residents of eligible communities that own their vessels
  - Suboption 2. Limited to residents of eligible communities
  - Suboption 3. No limitations on who harvests shares
- Option 6. Use of Revenue
  - Suboption 1. Community development projects that tie directly to fisheries or fishery related projects and education.



- Suboption 2. Community development projects that tie directly to fisheries and fisheries related projects, education and government functions.
- Suboption 3. Education, social and capital projects within eligible communities as well as governmental functions.

Issue 4. Community Territorial Use Rights In Fisheries (TURFs)

Option 1. Boundaries

- Suboption 1. Use historical geographical boundaries for communities
- Suboption 2. Use boundaries of 10-50 miles of coastline
- Suboption 3. Off shore boundaries of 3-200 miles

Option 2. Eligible Communities

- Suboption 1. Population:
  - a. Less than 1,500 residents
  - b. Less than 2,500 residents
  - c. Less than 5,000
- Suboption 2. Geography
  - a. Coastal Communities without road connections to larger community or highway network.
  - b. Coastal communities adjacent to salt water
  - c. Communities within 10 miles of the Gulf Coast
- Suboption 3. Economy
  - a. Fisheries dependant communities
  - b. Fisheries supplemented communities
  - c. All communities

Option 3. Ownership or Administrative entity within community

- Suboption 1. Existing entity — government or tribal
- Suboption 2. New non-profit created to manage fisheries
- Suboption 3. Regional entity managing for several community TURFs

Option 4. Species

- Suboption 1. All rationalized groundfish species
- Suboption 2. Species historically fished by coastal communities
- Suboption 3. Limited to species that can be caught without bottom trawling

Option 5. Management of TURF

- Suboption 1. Existing management Structure
- Suboption 2. Co-management
- Suboption 3. Community management

Option 6. Allocation

- Suboption 1. Allocation of exclusive use rights within TURF
- Suboption 2. Allocation of preferential use rights within TURF. (By time or species)

Option 7. Harvesting of TAC within TURF

- Suboption 1. Limited to residents of eligible communities that own their vessels
- Suboption 2. Limited to residents of eligible communities
- Suboption 3. No limitations on who harvests shares for community

Option 8. Use of Revenue

- Suboption 1. Community development projects that tie directly to fisheries or fishery related projects and education.
- Suboption 2. Community development projects that tie directly to fisheries and fisheries related projects, education and government functions.
- Suboption 3. Education, social and capital projects within eligible communities as well as governmental functions.

A request has been made to NOAA GC concerning the legality of allocating QS solely based on residency.

**Element 11. Habitat**

Option 1. Status Quo

Option 2. Habitat Conservation Plan

Establish habitat conservation plan to address identified problems or research needs as a trailing amendment after the development of a specific preferred rationalization alternative.

**Element 12. Review and Evaluation**

Option 1. Review

Evaluate the results of programs based on overall GOA rationalization objectives and make adjustments to the program using a “drop through” system (adapted from the Australian drop-through system described in Sharing the Fish, p. 150).

Initially allocated quota shares are Series A shares. Series A shares are available each year for

- Suboption 1. 5
- Suboption 2. 7
- Suboption 3. 10
- Suboption 4. 20 years.

At the 3, 5, 7, 10 year mark, There would be an evaluation of the program’s performance compared to the rationalization objectives.. If the evaluation identifies changes needed in the program to better achieve the objectives, those changes are made. Quota shares become Series B shares with use privileges extended for another 5, 7, 10, or 20 years. A quota share holder may choose not to change, but there would be a 10-20% reduction in that quota share and it continues at the lesser amount. The drop through system applies to any quota share based program with or without cooperatives.

Suboption 1. for the remainder of the use period.

Suboption 2. at the end of the use period

### Example for a 10-Year Series

0 1 2 3 4 5 6 7 8 9 10

I-----I

Series A

Review I-----I

Series B

Review I-----I

Series C

The review would be based on quantitative goals where they exist or qualitative expectations consistent with the program objectives.

The drop through system allows the fleet time fishing under a rationalized program to demonstrate progress.

If the Council wants to phase in particular elements into the program, the drop through allows time for industry to prepare or adjust to those changes.

### Option 2. Sunset

Suboption 1. The program would sunset unless affirmative action to continue or amend the program is taken by the Council 6 months prior to the sunset date. The decision of whether to continue or amend would be based on an evaluation of the program's performance compared to its objectives.

Suboption 1. 5 year after fishing under the program

Suboption 2. 7 year after fishing under the program

Suboption 3. 10 year schedule after fishing under the program

### Element 13. Sideboards

Participants in the GOA rationalized fisheries are limited to their historical participation based on GOA rationalized qualifying years in BSAI groundfish fisheries.

Note: The following elements were identified by the committee but have not yet been developed.

### Element 14. Fee and Loan

### Element 15. Monitoring and Enforcement

### **ALTERNATIVE 3. QUOTA SHARE BASED PROGRAM**

#### **SUBALTERNATIVE 2: HARVESTER ONLY QS PROGRAM WITH A COOPERATIVE.**

**Note: Unless indicated otherwise, ELEMENTS 1 –16 AND THEIR ASSOCIATED OPTIONS FROM ALTERNATIVE 3, SUBALTERNATIVE 1 AND ALTERNATIVE 3, SUBALTERNATIVE 2, OPTION 1 ARE INCLUDED.**

Option. Harvester only (1-Pie) Cooperatives

Suboption 1. IFQ Holder Cooperatives

1. Co-op formation is voluntary
2. Allocation of IFQ is determined under Alternative 3, Subalternative 1
3. Co-ops can be formed between:
  - a. Eligible Harvesters only
  - b. Harvesters and a Processor
    - i. At least 4 harvesters none of whom are owned by the co-op processor (using the 10% rule)
    - ii. Processors can join more than one co-op each comprised of 4 or more harvesters none of whom are owned by the co-op processor (using the 10% rule)
    - iii. Processors are limited to 1 co-op per plant for each specific gear type
  - c. CVs and CPs
    - i. Cooperatives will be segregated into CVs and CPs groupings and offshore cooperative groupings.
    - ii. Cooperatives will not be segregated into CVs and CPs groupings and offshore cooperative groupings.
4. Eligible processors
  - a. Eligible processors are any legally licensed processing facility
5. Set co-op use caps at 30% of total TAC by species
6. Vessel use caps would be set at 1.5-2 X the individual cap if participating in the coop
7. Overage and underage limits would be applied in the aggregate at the co-op level
8. Monitoring and enforcement requirements would be shared by coop
9. Annual IFQ permit would be issued to the co-op
10. Duration of cooperative agreements
  - i. 1 year
  - ii. 3 year
  - iii. 5 year
10. Community Protections
  - require a range 50 to 100% of a coop's annual IFQ to be processed in the community giving origin to the processing license associated with that coop.
  - (a) This requirement applies to each species held by the coop
  - (b) This requirement applies to a coop's groundfish IFQ in aggregate
11. Vessels (Steel) and LLP's used to generate IFQ's used in a coop may not participate in other federally managed open access fisheries in excess of sideboard allotments
12. Co-op allocations. Coop members may internally allocate and manage the coop's allocation per the coop membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred

and consolidated within the coop to the extent permitted under the membership agreement. Coop members are jointly and severally responsible for coop vessels harvesting in the aggregate no more than their coop's allocation of target species, non-target species and halibut mortality, as may be adjusted by inter-coop transfers. Coops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Coops may penalize or expel members who fail to comply with their membership agreement.

Suboption 2. Mandatory Co-ops (*includes all co-op formation provisions from Suboption 1. Voluntary Co-ops, with the following additional provisions*)

1. Co-ops must be formed before any QS is allocated as IFQ (a harvesters can only receive an allocation of IFQ by joining a cooperative).
2. Allocation of IFQ to harvesters who elect to join a co-op is determined under Alternative 3, Subalternative 1
3. Allocations to Co-ops will only be made under the following conditions:
  - a. Required Co-op agreement elements:
    - i. Harvesters and processors are both concerned that rationalization will diminish their current respective bargaining positions. Therefore, a pre-season co-op agreement between eligible, willing harvesters and an eligible, and willing processor is a pre-requisite. This co-op agreement must contain:
      - 1) A price setting formula for all fish harvested by the co-op
      - 2) A fishing plan for the harvest of all co-op fish
4. Eligible harvesters who are also eligible processors cannot participate in price setting negotiations
  - a. (A 10% ownership trigger will be used to determine the linkage between the harvester and the processor)
5. Eligible harvesters who are also eligible processors must participate in the co-op
  - a. (A 10% ownership trigger will be used to determine the linkage between the harvester and the processor)
6. Harvesters must declare prior to fishing which Coop they will deliver to in a given year.
  - 1) No penalty for moving between coops year to year
  - 2) A one year 10-20% penalty each time a harvester moves to a different coop. There shall be a limit on the voluntary migration of harvesters from coop to coop such that no coop loses more than 20% of its annual allocation in any single year.
7. Ownership and Usage of Co-op allocations
  - a. At least 20% of the harvester allocation share owned by the co-op processor vessels must be available for lease to other co-op harvesters, at prevailing market lease rates.
  - b. No mandatory leasing provision

**ALTERNATIVE 4. HARVESTER QS WITH CLOSED PROCESSOR CLASS**  
**SUBALTERNATIVE 1 HARVESTER QS WITH CLOSED PROCESSOR CLASS**

Note: Unless indicated otherwise, **ELEMENTS 1–15 AND THEIR ASSOCIATED OPTIONS FROM ALTERNATIVE 3, SUBALTERNATIVE 1 ARE INCLUDED. THIS APPLIES ONLY TO CV SHARES.**

**Element 16. Harvester Delivery requirements**

50-90% of QS allocation will be reserved for delivery to the qualified closed trawl or fixed class processor. The other 50 -10% of QS allocation can be delivered to:

- i. any processor including CPs
- ii. any processor excluding CPs

**Element 17. Closed Class Processor Qualifications**

Option 1. To purchase groundfish must have purchased and processed a minimum amount of groundfish as described below in at least 4 of the years

Suboption 1. 1995 – 1999.

Suboption 2. 1995 – 2001

Suboption 3. 1995-2002

Trawl eligible Processors

Suboption 1. 2000 mt

Suboption 2. 1000 mt

Suboption 3. 500 mt

Fixed eligible Processors

Suboption 1. 500 mt

Suboption 2. 200 mt

Suboption 3. 50 mt

Option 2. Processors can qualify to be both a fixed gear eligible and trawl eligible closed class processor

Suboption 1. Processors are defined at the entity level

Suboption 2. Processors are defined at the plant level

Option 3. Processor licenses would be issued to

Suboption 1. Operator

Suboption 2. Custom processing history would count for purposes of limiting entry

Suboption 3. Facility owner

Option 4. Transferability of eligible processor licenses

Processor licenses can be sold, leased, or transferred.

Suboption 1. Within the same community

Suboption 2. Within the same region

Option 5. Processing Caps may apply at:

Suboption 1. the facility level

Suboption 2. the entity level.

Suboption 3. Processing use caps will not exceed 30% of any species TAC of any Central GOA management area unless the processing history of that entity or plant

exceeded the proposed use cap during the qualifying period, and in that case the plant's average processing share during the qualifying years shall be used to establish its processing use cap. (Western GOA processing use caps will be grandfathered at the average processing use history during the qualifying years by species TAC.)

- Suboption 4. Processors may not acquire an ownership interest in a harvesting vessel. Ownership interests acquired before [\_\_\_\_(date)] are grandfathered. Processors may not acquire more than a [25%] controlling interest in a vessel, per MarAd standards. Closed class processors may not acquire interests in another processor. Using the 10% ownership rule as established under the AFA.

#### **ALTERNATIVE 4. HARVESTER QS WITH CLOSED PROCESSOR CLASS SUBALTERNATIVE 2 - HARVESTER QS WITH CLOSED PROCESSOR CLASS COOPERATIVE**

**NOTE: UNLESS INDICATED OTHERWISE, ELEMENTS 1 –15 AND THEIR ASSOCIATED OPTIONS FROM ALTERNATIVE 3, SUBALTERNATIVE 1 ARE INCLUDED.**

- Option 1. Same provisions as Alternative 3, Subalternative 2, Option 1, Voluntary Cooperatives
- Option 2. Same provisions as Alternative 3, Subalternative 2, Option 2, Mandatory Cooperatives

#### **Element 16. Closed processor class cooperatives**

Issue 1. Coop delivery provisions.

- Option. 50-90% of the coop allocation will be delivered to their linked trawl or fixed processor (see vessel – processor linkage below). The remaining 50 -10% can be delivered to any qualified closed class processor of the same type.

#### **Issue 2. Coop allocations.**

- Option 1. Each harvester is eligible to join a coop with a qualified fixed or trawl closed class processor.
- Option 2. Each harvester is initially eligible to join a coop with the qualified fixed or trawl closed class processor to which the harvester delivered the largest amount of groundfish during the year prior to implementation.
- Option 3. Each harvester is initially eligible to join a coop formed with the qualified fixed or trawl closed class processor in which the harvester delivered the largest amount of groundfish during the last [1, 2, or 3] years of the harvester allocation base period. If the processor with whom the harvester is eligible to form a coop is no longer operating, the harvester is eligible to join a coop with any qualified processor.
- i. Largest amount by species groupings (rockfish, flatfish, pollock, cod)
  - ii. Largest amount by aggregate

## **ALTERNATIVE 5, HARVESTER AND PROCESSOR QUOTA SHARE PROGRAM (2-PIE)**

### **SUBALTERNATIVE 1, VOLUNTARY CO-OP WITH ALLOCATED IFQ/IPQ**

Note: Unless indicated otherwise, **ELEMENTS 1–15 AND THEIR ASSOCIATED OPTIONS FROM ALTERNATIVE 3, SUBALTERNATIVE 1 ARE INCLUDED.**

#### **Element 16. Processing Sector– Applicable to Two pie (IFQ/IPQ) Cooperatives**

##### **Option 1. Eligible processors**

###### **Suboption 1. U.S. Corporation or partnership (not individual facilities)**

- a) owner
- b) operator
- c) custom processor

###### **Suboption 2. Individual processing facility by community**

- a) owner
- b) operator
- c) custom processor

###### **Suboption 3. Processed Groundfish for any Groundfish fishery in the rationalization program for**

- a) 2000 or 2001
- b) Any year 1998-2002
- c) 2001 or 2002

##### **Option 2. Catcher Processor QS**

All gear types & vessel class

##### **Option 3. Categories of Processing Quota shares**

###### **Suboption 1. Target Species (Species where there is a significant historical processor participation)**

Area 610 pollock  
Area 620 pollock  
Area 630 pollock  
WGOA Pacific cod – inshore  
CGOA Arrowtooth flounder  
CGOA Flatfish (excludes Arrowtooth flounder)  
CGOA POP  
CGOA Pelagic Shelf Rockfish & Northern rockfish (combined)  
CGOA Pacific cod – inshore  
WY Pollock

###### **Suboption 2. Non-target Species (Species on Bycatch status throughout the year (e.g., Sablefish – trawl, Other rockfish, thornyhead, shortraker/rougheye).**

- a) Allocate IPQ shares based on the Fleet bycatch rates by gear:
  - 1) based on average catch history by area and target fishery
  - 2) based on 75<sup>th</sup> percentile by area by target fishery
- b) Exclude non-target species from IPQ awards



- Suboption 3. Regional categories – processing quota shares will be regionalized by species grouping as shown in the regionalization section if regionalization is adopted.
- Option 4. Qualifying periods:
- Option 1. 95-01 (drop 1 or 2)  
Suboption. Exclude 2000 for pot gear Pacific cod
  - Option 2. 95-2000 (drop 1 or 2)  
Suboption. Exclude 2000 for pot gear Pacific cod
  - Option 3. 98-01 (drop 1)  
Suboption. Exclude 2000 for pot gear Pacific cod
  - Option 4. 95-2002 (drop 1 or 2)  
Suboption. Exclude 2000 for pot gear Pacific cod
- Option 5. Percentage of season's TAC for which IPQs are distributed:
- Suboption 1. 100%
  - Suboption 2. 90% - the remaining 10% would be considered open delivery.
  - Suboption 3. 80% - the remaining 20% would be considered open delivery.
  - Suboption 4. 50% - the remaining 50% would be considered open delivery.
  - Suboption 5. Processors that receive IPQ awards will be allowed to buy open access fish.
- Option 6. Processing Shares Cap categories:
- Suboption 1. Applied by species groupings – Pollock, Pacific cod, Flatfish (excludes Arrowtooth), and rockfish.
  - Suboption 2. Applied all groundfish species combined
- Option 7. Ownership Caps on Processing Shares
- Suboption 1. Maximum share allocation in the fishery
  - Suboption 2. Maximum share allocation in the fishery plus 5 percent
  - Suboption 3. Maximum share allocation in the fishery plus 10 percent
  - Suboption 4. Maximum share allocation in the fishery plus 15 percent
  - Suboption 5. Select a cap between the average and maximum allocation with initial allocations grandfathered.
- Option 8. Use Caps: may select different options depending on sector, gear, etc.
- Annual use caps on a company (facility) basis of
- Suboption 1. 30 percent to 60 percent of the TAC
  - Suboption 2. The largest IPQ holding in the fishery at the time of initial allocation
  - Suboption 3. Custom processing will be allowed
    - a) subject to use caps
  - Suboption 4. No use caps in the event of a catastrophic event.
  - Suboption 5. Emergency transfers of IPQ for weather conditions.
  - Suboption 6. Vessel overages of QS not counted toward IPQ use caps.
- Option 9. Binding Arbitration process, for failed price negotiation, between fishermen and processors.
- Option 10. Community Protection
- Suboption 1.
    - a) Processing allocations will have community designations
    - b) Processing can leave a community only with agreement of the community.

- c) Allocations will be designated for a community, only if the total designated processing to the community exceeds 0 percent to 8 percent
- d) By TAC area for Central, Western and West Yakutat  
Pollock  
Pacific cod  
By C, W, WY area for
  - 1. All species of Rockfish combined
  - 2. Flatfish species of Flatfish combined
- Suboption 2. Communities will be allowed to buy processing history -- First right of refusal for communities for all processing history designated for that particular community that is sold to entities outside the community.
- Suboption 3. Community designation of processing history will apply only for communities that are defined as fishery dependent.
- Suboption 4. Processing can leave these fishery depend community only with agreement of the community.

Option 11. Processor Purchase Requirements.

Any processor within any Gulf community can buy IPQ shares from the Catcher processor sector

**ALTERNATIVE 5, HARVESTER AND PROCESSOR QUOTA SHARE PROGRAM (2-PIE) SUBALTERNATIVE 2: MANDATORY COOP WITH ALLOCATION OF IFQ/IPQ**

Note: Unless indicated otherwise, **ELEMENTS 1–15 AND THEIR ASSOCIATED OPTIONS FROM ALTERNATIVE 3, SUBALTERNATIVE 1 AND OPTIONS 1 – 11 OF ALTERNATIVE 5, SUBALTERNATIVE 1 (FOR PROCESSORS) ARE INCLUDED.**

**Elements from Alternative 4, Subalternative 2, Options 1 and 2 for voluntary and mandatory co-ops are also included.**